

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HOUSING INITIATIVES DIVISION (HID)

Subject: ADMINISTRATIVE AND PROJECT COSTS

Effective Date: April 21, 2016

ADMINISTRATIVE COSTS - associated with general oversight of a housing program.

Administrative costs include the reasonable costs of overall program management, marketing, monitoring, and evaluation. Such costs must be documented and include, but are not limited to, necessary expenditures for the following:

- **Staff salaries, wages, and related costs.** In charging costs to this category, the grantee may either include the entire salary, wages, and related costs allowable to the program of each person whose sole responsibility involves program administration assignments, or the prorated share of the salary, wages, and related costs of each person whose job includes any program administration assignments.

All administrative costs must be documented including staff time. Staff must keep a daily time log that shows the hours worked, project address and work performed (application review, income verification, inspections, etc.)

- **Travel costs incurred for official business** in carrying out the program.
- **Administrative services performed under third party contracts or agreements**, including such services as general legal services, accounting services, and audit services.

If an outside agency or professional consultant (i.e., regional, commission, community action agency, private consultant, etc.) is contracted to administer a grant, a daily time log must be established and submitted by the consultant to the grantee with other invoices for an FSR when requesting reimbursement of administrative dollars. Grantees will be required to maintain the documentation for MSHDA's review during the on-site monitoring and/or submit upon request as part of the FSR review.

- **Other costs for goods and services** required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- **Public information.** The provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of projects being assisted with HID funds.
- **Fair housing.** Activities to affirmatively further fair housing.
- **Indirect costs.** Indirect costs may be charged to the HID program under a cost allocation plan prepared in accordance with OMB Omni Circular 200 and approved by the U.S. Department of Housing and Urban Development.
- **Other federal requirements.** Costs of complying with the federal requirements. Project-specific and/or Tier II environmental review costs may be charged as Administrative Costs or as Activity/Project Delivery Costs. Tier I environmental review costs should be charged to Administrative Costs.